



# Frontline lessons in health care transformation

An interview with Brendan Drumm, MD

The first CEO of Ireland's Health Service Executive, the organization created by the Irish government to transform health care delivery, describes his experience implementing reforms.

**In 2005, Ireland began** to transform the way it delivers health services to its 4.5 million people by consolidating responsibility for primary care, hospital care, and many social services into a single organization, the Health Service Executive (HSE). Despite strong initial resistance to many of its reforms, as well as hostile political and media criticism, the HSE has improved care delivery significantly. Waiting lists have declined sharply. More patients have access to high-quality primary care. Hospital quality and safety have improved.

In this interview, Brendan Drumm, the HSE's first CEO, speaks frankly about what has been achieved, what is still in process, and what challenges he has faced. Professor Drumm, who is stepping down as CEO this year after completing his five-year term, also outlines what he learned at the HSE's helm. The interview was conducted by Martin Dewhurst, a director in McKinsey's London and Dublin offices.

**Health International:** *Why was the HSE such a major change for Ireland?*

**Brendan Drumm:** Until 2005, ten unconnected regional health boards were responsible for delivering health services in Ireland. Politicians were strongly represented on these boards, and many of them were determined to maintain existing health services in their localities, even when doing so was not in patients' best interests.

The government decided—rather bravely, I think—to decouple politics from health care by amalgamating these boards into an independent organization, the HSE, that would be responsible for delivering all health and personal social services.<sup>1</sup> The government funds the HSE at an annual rate of €15 billion through a service contract with the Department of Health and

Children. An unusual feature of the arrangement is that the HSE's CEO is personally responsible for budget overruns.

**Health International:** *The HSE had a difficult gestation. What were the biggest challenges you faced on day one?*

**Brendan Drumm:** When the HSE was established, the conventional wisdom held that the health system's basic problem was underfunding. Countering this argument was virtually impossible because there were no meaningful performance measures. It was easy to create the impression that all health professionals were markedly overworked. Underperformance was not visible. Waiting lists bulged. The misimpression suited many because it protected the status quo. Virtually every problem could be blamed on resource shortages. As a result, those who shouted loudest and created a media storm were most likely to get funding—often ahead of groups delivering services more effectively.

In this environment, patients felt privileged to consult a clinician and were therefore reluctant to complain, even though, as taxpayers, they were picking up the bill. And because health professionals were constantly getting positive feedback from patients, they had little motivation to change.

The dearth of performance data created other difficulties. Before the HSE was established, and for a few years afterward, all political parties and health professionals' associations argued that the solution to growing waiting lists was to create 3,000 additional acute inpatient beds—a 25 percent increase. The capital cost would have been €1.5 billion to €2 billion, and the cost for extra staff would have been approximately €1 billion annually.

<sup>1</sup>Personal social services are nonmedical services needed by the elderly, the disabled, children, and other vulnerable groups.

The irony was that by international standards, Ireland already had more beds than necessary, given the average age of its population. Audits carried out in 2007 and repeated since showed that, on any particular day, up to 40 percent of patients in acute hospitals did not need to be there. Almost half were being kept in the hospital simply because they were waiting to see a clinician. We also found that average lengths of stay for the same procedure were much longer in some hospitals than others, for no discernible reason. Nevertheless, the “more beds” claim seemed plausible to the public.

Transforming a health system that has little performance data is always a major challenge. But the challenge is especially great in an environment in which most problems, including long waiting lists, clinical errors, and budget overruns, are blamed on funding shortages and there is a universal call for more acute beds.

**Health International:** *What did you focus on first?*

**Brendan Drumm:** We had to get clinicians to accept that the system needed more than just money—that we had to radically change the way health services were organized and care was provided.

We began by looking at the journey patients take through the health system. Consider Tom, a hypothetical older patient with alcoholism, depression, and diabetes who recently had a leg amputated. He no longer lives with his family. Were the services we provided best organized to meet Tom’s needs?

The most obvious problem Tom faced was that the many people providing services to him

(including general practitioners, a psychiatrist, social workers, community nurses, and disability support staff) were all working independently and rarely communicated with one another. Furthermore, these community-based professionals had no formal links with the local hospital’s clinicians. The only person coordinating Tom’s care was Tom—a confusing and frustrating situation for him and the people providing his care. Tom’s situation was not unusual: a local manager once told me about a family being visited by 17 different people from the health and social care system, few of whom were in contact with one another.

Tom’s situation and similar examples were helpful in explaining to clinicians the reality that existed for patients. Clinicians began to accept that the best way to meet the needs of people like Tom was to develop multidisciplinary primary care teams in communities across the country and to reconfigure hospital services so that care was delivered in the most effective settings. In addition, all services had to be integrated so that patients could get seamless service delivery, regardless of how many clinicians they saw.

Using patients’ needs as the starting point, we began developing multidisciplinary primary care teams, each designed to serve 8,000 to 10,000 people. This approach requires all community-based care providers—including general practitioners (GPs), speech and language therapists, physiotherapists, public-health nurses, and social workers—to stop working in isolation, to share information, and to mobilize resources based on patients’ needs. About 300 primary care teams now serve more than 50 percent of our population. Not all of these teams are fully integrated yet, but we are on our way.

## Brendan Drumm



### Education

1979: Graduated from the School of Medicine, National University of Ireland, Galway

### Career highlights

#### Health Service

##### Executive

(2005–present)  
Chief executive officer

#### University College

##### Dublin

(1990–2005)  
Professor and head of the department of pediatrics

#### Hospital for Sick Children and the University of Toronto

(1981–1989)  
Pediatric resident, research fellow, assistant professor, and consultant in pediatric gastroenterology

### Other professional accomplishments

Professor Drumm has been a member of the editorial board of 3 publications and a reviewer for more than 20 publications, and he has published more than 100 articles, book chapters, and reviews. He has also been an invited speaker at national and international medical meetings in the United States, England, Canada, Scotland, the Netherlands, and Australia, as well as a guest speaker at universities in more than 20 countries.

For more than 20 years, Professor Drumm's research has been supported by grants from a variety of organizations, including the Wellcome Trust, European Union, American Gastroenterology Association, Irish Health Research Board, Medical Research Council of Canada, and the Children's Research Foundation.

He is a fellow of the Royal Colleges of Physicians in Canada, Ireland, and the United Kingdom. He was also one of the first gastroenterologists awarded a fellowship by the American Gastroenterology Association in recognition of his lifetime contribution to research in gastrointestinal disease.

**Health International:** *What beliefs did you start with when you began to transform the health system?*

**Brendan Drumm:** I believed that we had to reorient care delivery so that we could provide more basic services closer to people's homes—or even in their homes—in a way that would increase care quality, value, access, and convenience. That meant ceasing to run separate organizations for community services and hospital services. We needed a single management structure responsible for budgets, people, quality, and performance in both care settings.

I also believed that we had to resolve the problem of many isolated, unconnected interactions between patients and health professionals. This is why our first major change was to move community-based health professionals into the primary care teams I described earlier.

**Health International:** *Why was a single management structure for hospital and community care so important?*

**Brendan Drumm:** Previously, hospital and community service providers had often tried to protect their budgets from any service demands

## Professor Drumm's advice to others

In his conversation with *Health International*, Professor Drumm offered forthright advice to others who are seeking to reform a health system.

**Health International:** *What lessons did you learn as CEO that would be helpful to someone starting out to reform a health system?*

**Brendan Drumm:** Tenacity in pursuing change is essential. You have to remain focused on the overall change agenda—even when major incidents, such as a misdiagnosis in a particular hospital, demand your attention. Fixing individual problems in health care delivery and individual processes is often seen by the public as success. In contrast, the public finds it much harder to understand the significance of driving a large transformation across a health system, because it does not see improvements appear on a day-to-day or even month-to-month basis. When large-scale changes resulting in marked service improvements occur over a prolonged time period, the public may not perceive the differences.

Often, a politician's advice to a change agent is to forget the 20-year plan—that it is politically naive to believe that you can continue to exist in the real world while driving such a plan. I believe that this type of limited thinking helps explain why health services, and also public services in general, often struggle to achieve substantive change.

**Health International:** *What advice would you offer to your successor as CEO of the Health Service Executive (HSE) or to anyone else about implementing a change program in the public sector?*

that could be met by another provider. For example, there was no incentive for a community service provider to respond immediately to the needs of an elderly patient ready for discharge on a Friday. The community budget could be protected a bit longer if the patient were kept in hospital for the weekend. We had dischargeable patients in the hospital who wanted to go home,

**Brendan Drumm:** First, you need to understand that change in a public-sector environment is significantly more difficult than it is in a private-sector environment. In the private sector, change is often driven by consumer feedback and may be the only solution that enables an organization to survive. In the public sector, by contrast, everyone's job may be guaranteed by the state, irrespective of whether the organization is providing optimal service levels, and thus no one may think it necessary to accept a change program.

Second, professionals must lead the change. In a health system, clinicians have ultimate accountability for patient care. They will respond when it becomes clear that their performance or productivity is adversely affecting patient care. However, overcoming the group thinking that deters individual clinicians from undertaking leadership roles is critical.

Third, you have to be aware that performance management in a politically controlled system may be something of an oxymoron. In a political environment, priorities are often based first on what is acceptable and only second on what is the right thing to do to achieve the best outcomes. Resistance to hospital reconfiguration is an excellent example of this.

Finally, driving real change in the public sector is never a choice for a populist agenda. You cannot bring about real, needed change with a fixed or reduced budget and still be popular.

while others waited in the emergency department for admission.

So we merged the management of our hospital and community services at the national level, and we are now rolling out 18 integrated service areas (ISAs) to devolve joint management locally. Each ISA brings together, under a single manager,



at least one secondary care hospital, all local primary care teams, and other community services in the hospital's catchment area. All health professionals will be accountable for the performance of their ISA, not just the unit they work in.

**Health International:** *In Ireland, as in many countries, most GPs are solo practitioners. How hard has it been to set up primary care teams?*

**Brendan Drumm:** Our GPs are independent contractors, and it could have taken us 20 or 30 years to get them all to buy into the concept of primary care teams. So we gave them a financial incentive. Using a public-private partnership model, we offered GPs the opportunity to come together locally to build primary care centers, and we committed to relocating public-health nurses, social workers, therapists, and other team members into those centers. For the GPs, this is a very attractive investment opportunity. They own the new facilities and have a blue-chip tenant to help pay off the investment. Our lease, however, is dependent on the GPs remaining part of the primary care team.

This approach has been very successful in getting GPs to participate—so much so that they are delivering the new infrastructure more quickly than expected. As a result, we are selling off a significant amount of our community infrastructure. The new facilities have also enabled many clinicians traditionally based in hospitals to move their services into the community, which means that many patients don't have to travel as far for treatment. I believe that our approach to infrastructure development has possibilities for other health systems.

Team building among the health professionals is critical for developing multidisciplinary primary

care teams. However, developing infrastructure for the teams to work in is equally important if the professionals are to believe that our commitment to them is genuine. By 2013, we expect to reach our target of 500 primary care teams, many operating from state-of-the-art facilities.

**Health International:** *How did you reconfigure hospital services?*

**Brendan Drumm:** Ireland has approximately 50 acute hospitals—large, medium, and small—for its 4.5 million people. For about four decades, political and local pressure had prevented any significant modernization in the way hospital services were provided. As a result, practices that, from a quality and safety perspective, should have stopped were allowed to continue. For example, many smaller hospitals had little surgical activity but full surgical teams on call. They had intensive care units that ventilated only two or three patients per week. These types of subscale activity put patients at risk and incurred costs that prevented us from investing adequately in our larger hospitals.

The first step in reconfiguring our hospitals was therefore to move many complex services from smaller hospitals to larger institutions.<sup>2</sup> Although this effort is now well advanced, it began slowly. We started modernizing services in one region, learned what worked particularly well, and then broadened the program to other regions. Our current focus is on three regions covering about 40 percent of the population.

Initially, this effort faced angry resistance from politicians and the public. Most people had no idea how little complex work was going on in many small hospitals or that low activity levels make it difficult for health professionals to maintain their skills. Most people believed that all

<sup>2</sup>For a look at other ways in which hospital services can be reconfigured, see "Supply and demand strategies for lowering spending on hospitals," p. 6.

## Fast facts about the Irish health system

### General information

Ireland provides universal health care coverage through its public-health system to all residents. However, many health services are provided free only to low-income residents (about one-third of the population); others must share in the cost of their care. To help residents cover their health care costs, Ireland permits them to have private health insurance; about half of all people opt to do so.

As the country has grown wealthier in the past few decades, government spending on health care has risen. In 2008, Ireland spent about \$4,556 per person on health care, a level that put it ahead of most of its Western European peers. Just over 80 percent of this amount was paid for by the government. Of the balance, about half was covered by private health insurance; the remainder was paid out of pocket. However, Ireland has been hit especially hard by the recent recession, and thus the government has made significant cuts in its health care spending.

### Physician workforce

Ireland has approximately 13,000 doctors (about 3 per 1,000 people). Roughly 18 percent of them work in primary care as general practitioners (GPs); the remainder are hospital-based specialists.

Most GPs are individual practitioners. The majority of them are paid by the Health Service Executive (HSE) under a capitation system that considers each patient's age and gender, as well as the distance between the patient's residence and the GP's office. Additional fees are paid for out-of-hours care. A minority of GPs are paid by the HSE under a fee-for-service arrangement.

Most hospital-based specialists work in public hospitals as salaried employees. However, more than 90 percent of them work in the private sector as well, on a fee-for-service basis.

### Hospital care

Ireland has about 50 public and 30 private hospitals. These hospitals contain more than 22,000 hospital beds (about 5.3 beds per 1,000 people).

In 2009, Ireland's public hospitals provided approximately 670,000 day-case treatments and 590,000 inpatient treatments, as well as care for about 3.4 million outpatient-department attendances and 1.1 million emergency-department attendances.

Hospital reimbursement is done through a system based on diagnosis-related groups.

hospitals were extremely busy and that all the clinicians in them were overworked.

We were able to go forward because of the support we received from clinical leaders. They have engaged with local and national politicians to reassure them about the need for change, and they have helped educate the public. They have also spoken with the local and national media. The involvement of clinical leaders is a remarkable break from the past, when many clinicians used political influence to prevent change. Although pockets of clinician-

led resistance still exist in Ireland, their impact is limited, given that national and local clinical leaders are planning, supporting, and often managing the reconfiguration agenda.

The staged approach we used reduced the risk that the entire political system would unify in opposition to reconfiguration, a problem that arose during earlier attempts at reform. Delivering good results in one or two areas first reassures politicians and the public that change can lead to service improvements.

The average length of stay in an Irish hospital is 6.2 days.

The public-health system will pay for care in private hospitals (in Ireland or abroad) when patients must wait more than three months for treatment in a public hospital.

#### Private health insurance

Three companies offer private health insurance in Ireland. Vhi dominates the market, covering four out of every five privately insured individuals. The other providers are Quinn and VIVAS.

To increase access to insurance, private health insurance premiums are based on a community rating system in which all insured individuals pay the same amount regardless of age, lifestyle, or health status.

#### Demographics

Ireland's 4.5 million people are comparatively young: 20.6 percent of them are under the age of 15; the corresponding numbers for Germany, France, and the United Kingdom are 13.7 percent, 18.4 percent, and 17.5 percent. Conversely, only 11.1 percent of Ireland's population is 65 or older; the corresponding numbers for the other three countries are 20.0 percent, 16.6 percent, and 16.3 percent.

#### Public-health metrics

Life expectancy at birth: 78 years for men, 82 years for women

Infant mortality per 1,000 live births: 3.0

Maternal mortality per 100,000 live births: 1.0

#### Sources:

The World Bank data bank; *WHO Global Atlas of the Health Workforce*, 2008; Department of Health and Children, *Health in Ireland, Key Trends*, 2009; *Health Service Executive Annual Report and Financial Statements*, 2009; Healthcare, OCO Industrial Series, August 2008; European Observatory on Health Systems and Policies, *Ireland: Health System Review*, 2009.

**Health International:** *You mention the importance of clinical leaders. How did you get them on board?*

**Brendan Drumm:** As a group, clinicians are often skeptical and sometimes cynical about health system change. Many—perhaps most—of them may agree that service reconfiguration is needed, but they are reluctant to become identified with a change program. Before the HSE, there was a visible divide between the clinical community and the health system's managers; the two groups did not have a constructive relationship.

To convince the clinical community that change was not just necessary but possible, we decided to involve a small number of clinicians who accepted that the system needed to change and who, we believed, were potential leaders. We then needed to find a way for these clinicians to gain wider support from their colleagues. To accomplish that, we developed close relationships with the postgraduate colleges for physicians, surgeons, and other health professionals, which came together in a new organization called the Forum of Irish Postgraduate Medical Training Bodies.

## A lesson we learned is this: although widespread clinician support is important, the actual number of clinical leaders should be kept relatively small to increase their credibility and authority

With the support of the Forum, we introduced doctors across the medical spectrum to the concept of clinical leadership and its importance in improving health services. We pointed out that the advent of the HSE was a once-in-a-lifetime opportunity for clinicians to adopt leadership roles. The Forum's endorsement made it possible for more clinicians to come out of the shadows and support the transformation agenda, which then made it easier to establish effective working relationships between clinicians and managers. I think other countries could find this approach helpful in driving forward health sector change.

A lesson we learned is this: although widespread clinician support is important, the actual number of clinical leaders should be kept relatively small to increase their credibility and authority. A cross-departmental approach is also important if the clinical leaders are to be effective in developing an integrated health system. Our clinical leaders are not simply the clinical directors of departments of surgery, medicine, or pediatrics. They are responsible for all the clinical services delivered within a hospital; eventually, they will oversee the services delivered in the hospital's community catchment area as well.

**Health International:** *How did you instill performance management?*

**Brendan Drumm:** Initially, we had no performance data that were relevant to clinicians. Large amounts of information were collected and presented in reports, which I don't think clinicians ever read and which could not be interpreted by anyone trying to understand the key problems with our processes.

For example, there was no measurement of waiting lists for outpatient services, no quantification of operating-theater throughput, and no way to gauge the potential for additional throughput. Community-based services such as speech therapy, physiotherapy, and public-health nursing operated without any measurement of their activity or comparisons with benchmarks. In those areas in which waiting lists were monitored, the lists were often quite long—in some cases, because people believed that a long waiting list was the most likely way to attract more funding.

We therefore focused at a very early stage on developing a comprehensive performance-measurement system. Health professionals respond to peer pressure, especially when their performance is compared with others'. We assumed that once performance was measured and compared, highly skilled professionals would want to achieve high performance levels.

We adapted an approach that Baltimore, Maryland, has been using to improve local government performance and developed a suite of metrics that we believe reflects our health system's performance. The metrics for hospitals include emergency-department and elective-surgery waiting times, day-case rates, number of new outpatients seen by consultants, staff numbers, and case mix. For community care, we measure such things as childhood vaccination uptake and the number of new families seen each month by child and adolescent mental-health teams. We have yet to add outcome metrics, however.

The information is analyzed by a program called HealthStat. We meet regularly with area managers and senior clinicians to discuss results. Both groups know they are accountable for developing action plans to address areas of underperformance. HealthStat also enables them to compare their results directly with performance in other areas in the country. We have found that most managers and clinicians are pleased to get results and that the reports have improved the relationship between them. Both groups want their units to succeed and know that success will be recognized and commended.

We also publish the results monthly on the HSE's Web site for the public to see. However, we don't have evidence yet to indicate that the public has started to use this information to determine which provider to see or to question performance.

**Health International:** *You've alluded to difficulties you've had with politicians and the*

*media. Have you had any support, or has this transformation been an entirely uphill battle?*

**Brendan Drumm:** I was fortunate in that there was only one minister for health and children, Mary Harney, while I was CEO of the HSE. She is someone with a proven track record of being able to stick to a challenging change agenda and ensure that changes are implemented. Her support has been crucial to the success we've achieved.

Although we did encounter strong political opposition in many places, there were also many politicians who genuinely wanted to see change occur, even if it affected their local hospitals. The critical component required to gain their support was clinical leadership. Many politicians said to us, "We will stand with you if clinicians can defend the changes you are proposing." In some cases, we had to get clinical leaders from one area to go into other towns and help us convince local people that service reconfiguration was important, despite the fears of local clinicians.

**Health International:** *How easy has it been to work with the media?*

**Brendan Drumm:** Ireland is a small country with many news outlets; the health system and problems within it are a major source of news. Treatment errors make dramatic headlines; achieving childhood vaccination rates above 95 percent does not.

I'm not suggesting that the media should not report on the health system's mistakes. But the fact that the media keeps focusing on the

system's shortfalls rather than the progress we're making can demoralize people. Some very sad incidents have occurred, and such things have to be dealt with. Our serious incident<sup>3</sup> unit has helped us do this. But it was important that we did not put the change program in jeopardy while we were dealing with those incidents.

Critical media coverage is temporary. A reformed health service is far more long lasting and important.

**Health International:** *What were the biggest barriers you encountered—the biggest pain points you experienced in getting change moving?*

**Brendan Drumm:** The biggest barrier has been operating within a public-sector environment. In the private sector, jobs often depend on the success of a change program. In the public sector, people's jobs are usually guaranteed, and there are often few consequences for poor performance. And so it can be difficult to make change happen.

A second barrier has been the public's unwillingness to challenge the health system at the front line. Most people feel vulnerable when interacting with clinicians and are very slow to demand better-organized care. If a man arrives in an emergency department with his elderly mother and she must wait 24 to 36 hours before admission to a ward, he should demand to know

why care was not provided more efficiently. This type of questioning happens infrequently—it needs to be widespread. Until the public demands accountability from those directly providing care, it will continue to be difficult to transform the health system.

**Health International:** *Some experts have argued that if patients had to pay out of pocket for health care, they would act more like consumers and demand better care. Yet Ireland has a mixed health care economy. More than 50 percent of people have private health insurance.*

**Brendan Drumm:** Having a mixed health care economy has not made Irish patients more like consumers. Our clinicians are paid by the government but are also permitted to work in the private sector on a fee-per-service basis. Private health insurance helps many people pay for private services. However, the services delivered in the private sector tend to be elective, fairly low-intensity procedures; patients needing complex or critical care must usually use public hospitals.

A dual system such as ours creates unusual incentives for the clinicians who work for both public and private hospitals. It is not in their interest to increase the public sector's efficiency, because doing so reduces the number of patients who might seek treatment from them in the private sector. This supposition is confirmed by the fact that access to emergency care in Ireland

<sup>3</sup>This unit is designed to bring dedicated management focus to incidents that raise serious safety concerns (for patients, employees, or the public) or that could otherwise have a detrimental impact on the HSE's objectives.



is reasonably good, whereas access to elective care in the public sector is usually much more challenging.

I am not averse to the idea that health systems should include both public and private services, but there can be major issues if the same professionals deliver both services.

**Health International:** *The global recession has hit Ireland especially hard. How have budget cutbacks affected the health system?*

**Brendan Drumm:** In the past few years, we've experienced significant budget cutbacks. This has not been all bad. Previously, most people within the system thought that change had to be accompanied by extra funding. Now, there is greater acceptance that additional investment is not likely and that other ways must be found to make services more effective.

The current economic environment raises two broader questions. First, should Ireland continue to underwrite poorly performing institutions? If the care offered by one hospital is markedly inferior to that delivered at another hospital nearby, should some services at the poor provider be discontinued? Should the poor provider be allowed to close? Such actions are currently impossible. However, I believe that a sustainable health service needs a competitive environment.

Second, can Ireland continue to provide as broad a range of services as it currently does? We may have to make choices about what we fund and what we don't fund. From a political perspective, these decisions will be extremely difficult. In my mind, the worst scenario would be simply to cut funding across the board, which would

reduce our effectiveness in many areas while forcing us to continue to provide nonessential services.

**Health International:** *In closing, what achievements are you proudest of?*

**Brendan Drumm:** It is now accepted in Ireland that the health system's problems are not just funding problems. Most clinicians understand that a new model of integrated care delivery is needed. We've already moved many of our community-based professionals into a new way of working. The idea that hospital services must be reconfigured and become much more effective has finally taken root; this change is occurring across the country, led by clinicians or with significant clinician involvement. We've found a way to develop excellent clinical leaders and shown how essential they are in driving change. We've proved that the system can deliver more services with less funding. Although we have not yet fully embedded performance management in the health system's culture, we have put the tools in place to achieve this.

In addition, by operating as a single national agency, we've become much more efficient in areas such as procurement and facility management. As a result, we've reduced our costs by €1 billion over the past three years.

When we started, I was advised by experts that the change program would take at least 10 to 15 years. What I have tried to do is to put the HSE on the right track and set things up so that the transformation to an integrated health system would become unstoppable. I think we've succeeded in that. ○